



SENADO

ESTADO LIBRE ASOCIADO DE PUERTO RICO

José Luis Dalmau Santiago
President

September 30, 2021

Mr. David Skeel Esq.
Chairman
Fiscal Management and Oversight Board
San Juan, Puerto Rico

Dear Chairman Skeel

I am writing to you as President of the Senate of the Commonwealth of Puerto Rico. In the coming days, probably next Monday, October 4, 2021, the Senate will be considering legislation that would authorize the bond issue that would culminate the debt restructuring processes of the Puerto Rico government.

In that decision process, a number of questions have been raised regarding the language referring to government retiree pensions. Today, the House of Representatives approved a language that establishes conditions for bond issues for debt restructuring, not to make cuts to the pensions of 100% of government retirees.

The Governor has taken the same position on this issue. As you know, our position has been consistent in protecting pensions; but this does not mean we will be adopting absolute language that affects or places the pensions of retirees in a situation of defenselessness or vulnerability that, far from protecting them, causes greater uncertainty as to their permanence.

In view of this possible scenario, the Senate needs concrete and official answers - prior to a vote of the legislative body - on the possible consequences, if any, of the language conditioning the bond issues on the Oversight Board being prevented from cutting pensions for all retirees. In view of the foregoing, we request that you respond in writing within 24 hours to the following questions.

- 1) In the event that the passage of a bill authorizing the required bond issues is not achieved, what would be the rule of law and the consequences on the protection of retirees' pensions?

- 2) If the legislature passes a bill and it is signed by the governor that contains no mention, language or reference to pension protection for retirees, what would be the rule of law and what would be the future of pensions, as well as the FOMB's position in court?
- 3) If a bill is duly authorized by the Commonwealth of Puerto Rico stating that there are no pension cuts and that bond issues will be conditioned on no pension reduction; what would be the FOMB's position in court and what would be the actual scenario on the future of pension cuts; would pension cuts over \$1,500 per month or more or over \$2,000 and more be maintained?

This request for information is in addition to the letter and does not replace or supersede the letter sent on September 27 requesting that the FOMB respond to us on the ten (10) point public policy agenda linked to the POA. Please note that the bill will not be considered until the requested information is received.

Thanks for your attention.

Cordially,



The image shows a handwritten signature in blue ink. The signature appears to read "Jose Luis Dalmau-Santiago". Below the signature, the name "Jose Luis Dalmau-Santiago" is printed in a smaller, standard font.